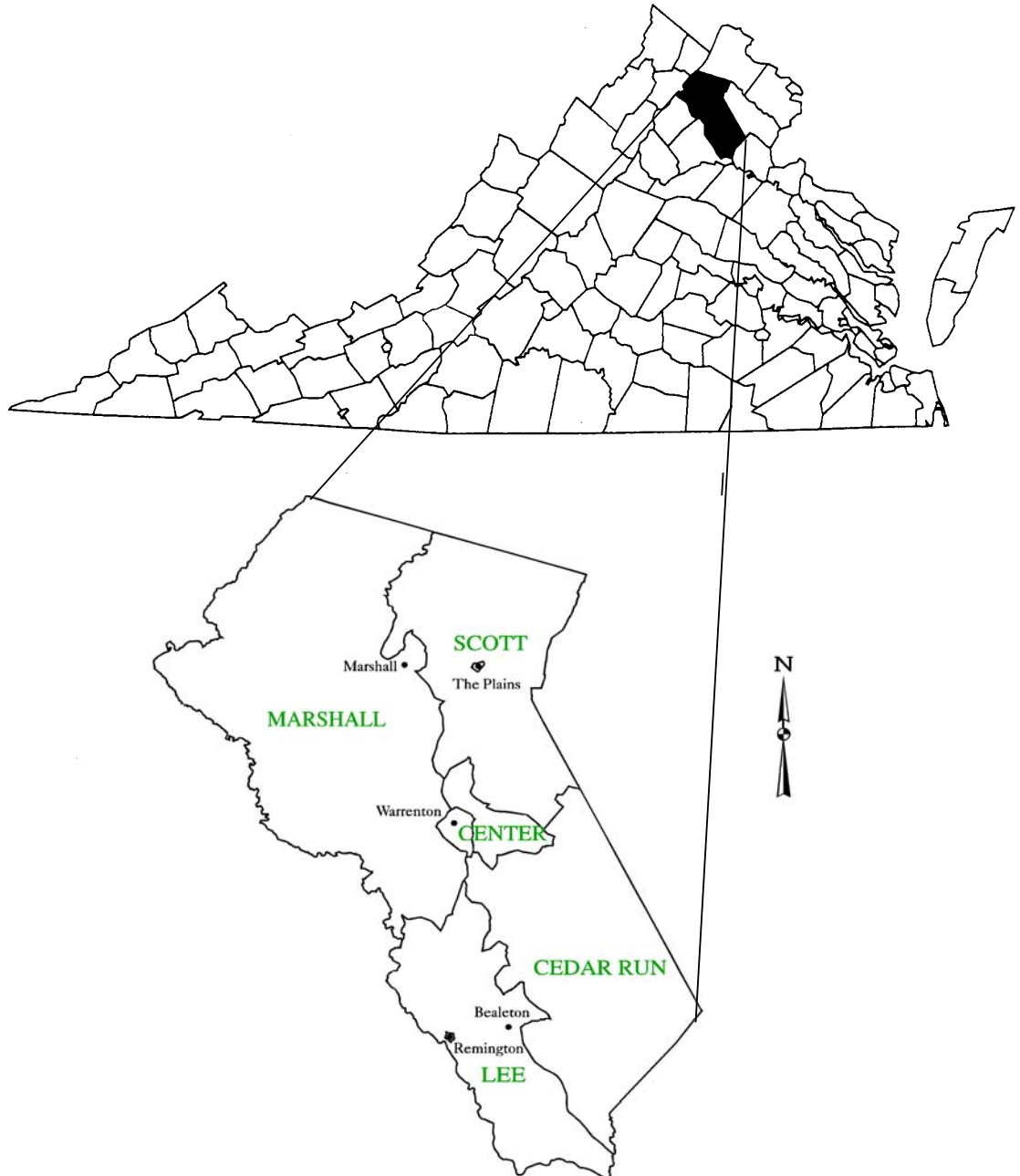


# *County of Fauquier, Virginia*



# FAUQUIER COUNTY, VIRGINIA

Once part of the Northern Neck Proprietary, a vast English land grant held by the 6th Lord Fairfax, Fauquier County was created in 1759 from Prince William County and named for Sir Francis Fauquier, the Colonial Lieutenant Governor at that time.

Originally populated by the Manahoacs, Sioux tribe, and later used as a hunting ground by the Iroquois, Fauquier's first immigrants were of German and English ancestry. Brent Town, the first settlement, was established in 1686 in Southern Fauquier. The first settlement in Northern Fauquier was near The Plains in 1726.

During the American Revolution, many County citizens served in the Continental Army, including Captain John Marshall who would later serve the country as Chief Justice of the U.S. Supreme Court.

During the Civil War the county was frequently criss-crossed by both Northern and Southern armies. The history of the war in Fauquier County is dominated by tales of the escapades of Colonel John S. Mosby, a Partisan Ranger whose unorthodox and highly effective maneuvers would now be called guerrilla warfare. Significant Civil War sites and activities are documented in Fauquier's twelve sites on the Virginia Civil War Trails.

Recovery from devastation to the agricultural economy following the war was helped by the arrival in the early 1900s of several prosperous Northern businessmen who came here to fox hunt during the winter months. Their enthusiasm and investments, combined with Virginia's long history of fine horses, established the area as the Hunt Country capital of Virginia, which continues to this day.

The Fauquier County government is organized under the County Administrator form of government (as defined under Virginia law). The governing body of the County is the Board of Supervisors, which makes policies for the administration of the County. The Board of Supervisors consists of five members representing the five Magisterial Districts in the County: Center, Lee, Scott, Marshall, and Cedar Run. The Chairman of the Board of Supervisors is elected from within the Board of Supervisors and serves generally for a term of one year in addition to being a District Supervisor. The Board of Supervisors appoints a County Administrator to act as the administrative head of the County. The County Administrator serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, and directs business and administrative procedures in the County government. An organizational chart of Fauquier County government is included.

In Virginia, cities and counties are distinct units of government and do not overlap. Fauquier County completely surrounds the Towns of Warrenton, Remington, and The Plains. The County does provide certain government services, such as public education, to the Towns' residents pursuant to agreements with such towns. Property in these towns is subject to County taxation.

The County of Fauquier is located in the north central Piedmont region of Virginia, approximately 40 miles southwest of the nation's capital and approximately 80 miles northwest of Richmond, the state's capital. The County encompasses a land area of approximately 660 square miles. Fauquier County is bordered by the counties of Prince William, Stafford, Culpeper, Warren, Clarke, Loudoun and Rappahannock. The Rappahannock River forms the county's Western border. Interstate 66 runs East-West through the northern portion of the County. In addition, five U.S. primary routes and two state primary routes traverse the County.

Because of its proximity to Washington, D.C., the County has experienced consistent population growth rates over the past ten years. Despite the population growth, the County remains primarily rural in nature.



### **Fauquier County Mission Statement**

*Working within the theme of "Progress with Reverence for Heritage" and with a strong commitment to the accomplishment of meaningful improvements to the efficient, effective, and open conduct of the County government, and to the public health, safety, and welfare and educational opportunities, the Fauquier County Board of Supervisors seeks, within the bounds of fiscal integrity, to preserve the physical beauty, historical heritage and environmental quality of the county while ensuring that population growth and development is a positive force on the general welfare of the community.*

## DEMOGRAPHICS

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Formed as an Independent County .....	Chartered in 1759
Present Form of Government.....	Traditional Board of Supervisors-County Administrator (Five Board Members by Magisterial District)
Area.....	660 square miles
Population (2000 Census).....	55,139
Registered Voters (April 2002).....	37,424
Median Age (1990).....	36
Unemployment Rate (2001).....	2.6%

### Education (Public):

Number of Elementary Schools .....	10
Number of Middle Schools .....	4
Number of High Schools .....	2
Number of Alternative Schools .....	1
Enrollment 2002.....	9,643

### Libraries:

Number of Facilities .....	3
Patrons Registered .....	31,318
Total Circulation .....	301,142

### Sheriff's Office Protection:

Administration .....	3
Law Enforcement.....	54
Court Services/Civil Process.....	14
Detention Center .....	30
Support Services .....	8
Number of Calls for Which a Deputy was Dispatched.....	33,249
Total Calls For Service .....	45,871

### Fire and Rescue Protection:

Number of Fire Stations.....	5
Number of Rescue Stations.....	3
Combination Fire & Rescue.....	5
Career Personnel .....	15
Volunteer Personnel.....	381

### Parks and Recreation (Public):

State Parks.....	1
State Forests .....	2
County Parks.....	10

## **BOARD OF SUPERVISORS TOP TEN PRIORITIES\***

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1. Begin implementation of Chapter 8 of the Comprehensive Plan, Rural Areas Land Use Plan, to realize changes to the zoning and subdivision ordinances for RA and RC development and to consider the use of overlay districts, particularly rural historic districts, as a possible tool for rural preservation. Review revised service district plans to ensure conformity with the Comprehensive Plan.
2. Prepare and implement a Purchase of Development Rights Program for Fauquier County in order to preserve important areas.
3. (a) Update the Marshall Service District component of the Comprehensive Plan.  
(b) Update the Warrenton Service District component of the Comprehensive Plan.  
(c) Update the Catlett/Calverton/Midland Service Districts components of the Comprehensive Plan and begin work concurrently to review and update the plan for the Bealeton/Opal/Remington Service Districts.
4. Complete the groundwater resources investigation for the New Baltimore Service District to determine if there are sufficient water resources available to support build out of the district in conformance with the service district plan.
5. Re-examine the options for improving portions of Route 28 passing through the County and five service districts in conjunction with the service district planning process for the Cedar Run and Lee Districts. Exhort the Virginia Department of Transportation to suspend critical implementation actions along Route 28 until the reassessment is complete.
6. Assess the benefits of implementing a multi-year budget cycle, including a biennial budget plan, to facilitate the consideration of the impact of the operating costs of new capital projects and to undertake longer range budget planning.
7. Complete a redistricting plan to establish County election districts to comply with State and Federal Laws and to reflect the population changes reported in the 2000 Census.
8. Develop a Countywide technology plan and continue the implementation of e-government initiatives in accordance with the Board's authorization.
9. Complete and approve a fiscal impact model to evaluate the fiscal impacts of development proposals.
10. Continue historic preservation planning and consider developing a Countywide heritage tourism program.

***\* These are the current multi-year priorities of the Board of Supervisors. They will be revised during FY 2003 based on the development of strategic goals, objectives and measures as identified on the next page.***

# STRATEGIC GOALS AND OBJECTIVES

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In late FY 2002 the Board of Supervisors approved the development of objectives and measures for their consideration to achieve three primary strategies based on the County's Vision Statement.

## Strategies

- 1. Balance Quality Service with Fiscal Integrity.**
- 2. Manage Growth in a Manner which Protects the County's Agriculture, Environment, Quality of Life, and Historic Resources.**
- 3. Conduct County Government Openly.**

To achieve this goal Fauquier County has selected the Balanced Scorecard as the management system to translate these strategies into tangible objectives and measures. The Balanced Scorecard uses four perspectives to ensure a balanced approach to evaluating achievements of organizational strategy. The four perspectives are customer, financial, internal process and learning and growth.

The Balanced Scorecard will allow the County to translate strategy into operational terms that everyone can understand. By creating this understanding, the County departments and offices can more easily align their activities around the strategy, therefore, making strategy everyone's job.

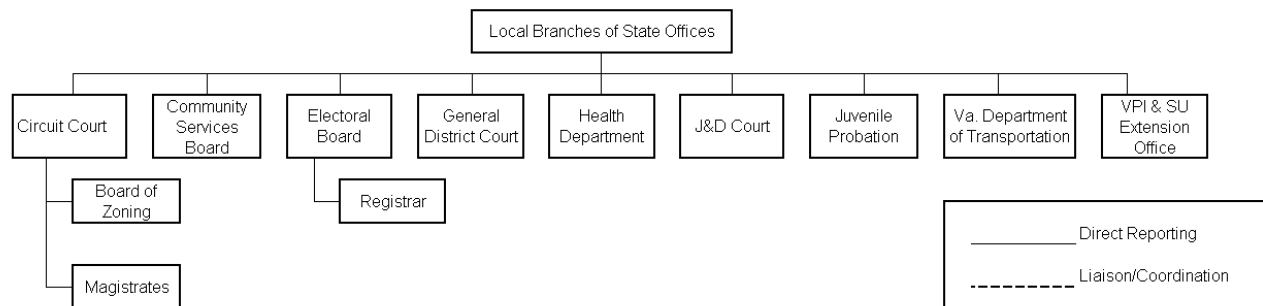
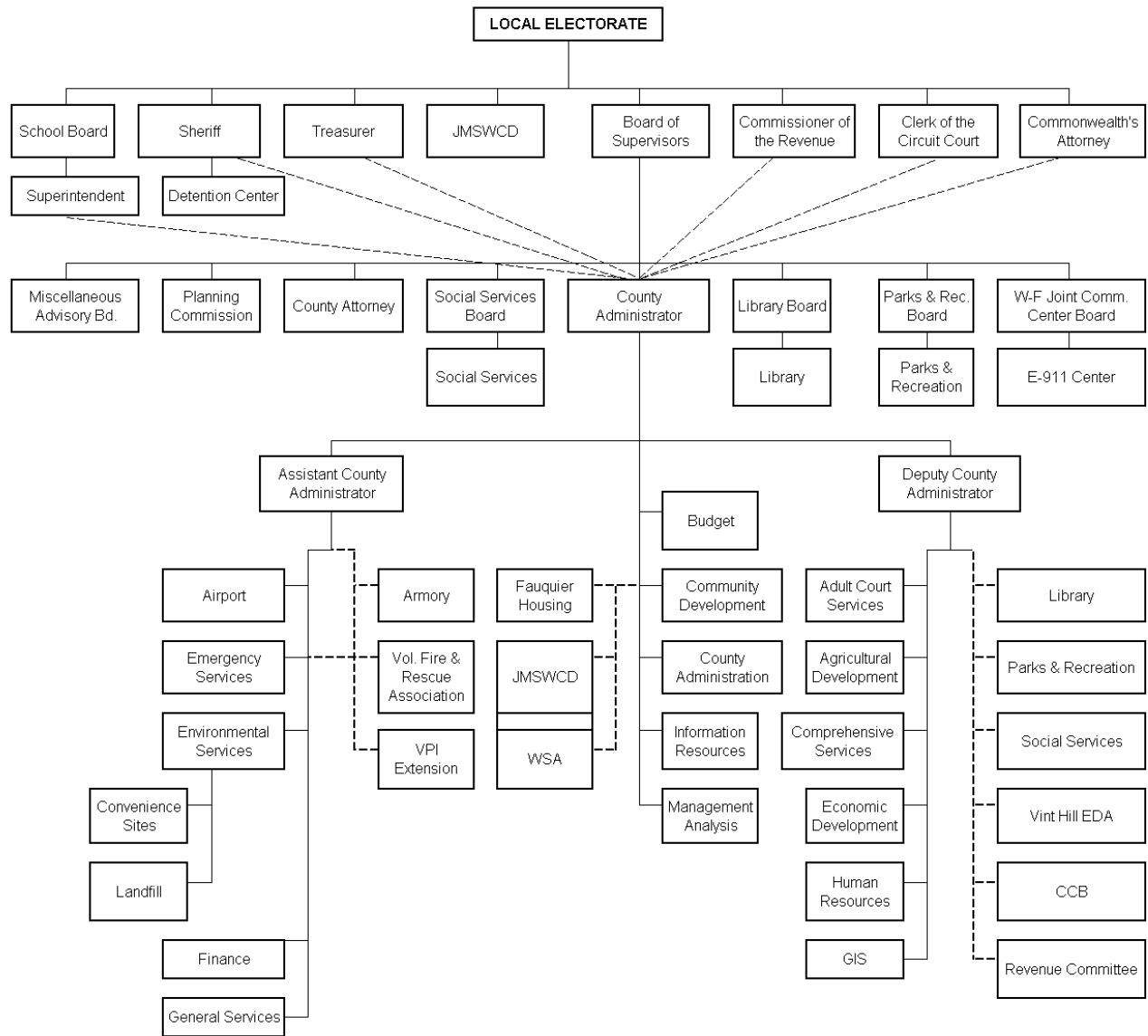
The projected benefits of the Balance Scorecard to the County are:

- Clarifying the County's vision.
- Aligning County operations to achieve that vision.
- Integrating strategic planning and resource allocation.
- Improving management effectiveness by providing appropriate information for directing change.

As of the printing of this document several committees were preparing recommendations to the County Board of Supervisors on supporting objectives and measurements to meet the identified strategies. It is projected that these issues will be completed prior to the FY 2004 budget year.



# FAUQUIER COUNTY ORGANIZATION CHART



# PERMANENT POSITIONS – FULL TIME EQUIVALENTS

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
<b>GENERAL GOVERNMENT</b>					
Board of Supervisors	9	9	9	9	9
Budget Office	3.5	4	4	3	3.5
Commissioner of Revenue	25.2	25.2	25.2	26.2	25.2
County Administration	3	4	4	5	5
County Attorney	5.6	5.6	5.6	5.6	5.6
Finance	20.0	20.5	20.5	20.5	20.5
Geographic Information Systems	0	0	0	3	3
Human Resource	11	9	9	9	9
Information Resources	1	10	13	15	13
Registrar	3.4	3.4	3.4	3.6	4.6
Treasurer	13.8	14	14	14	16
<i>Subtotal</i>	<u>95.5</u>	<u>104.7</u>	<u>107.7</u>	<u>113.9</u>	<u>114.4</u>
<b>JUDICIAL ADMINISTRATION</b>					
Adult Court Services	4.5	4.5	5	8	8
Circuit Court	1	1	1	1	1
Clerk of the Circuit Court	12	12	13	13	14
Commonwealth's Attorney	9.5	9.5	9.5	9.5	9.5
Juvenile & Domestic Relations Court	0.8	0.8	1	1	1
Magistrates	2	2	2	2	2
<i>Subtotal</i>	<u>29.8</u>	<u>29.8</u>	<u>31.5</u>	<u>34.5</u>	<u>35.5</u>
<b>PUBLIC SAFETY</b>					
Emergency Services Administration	1	1	1	1	0
Joint Communications - Radio Administration	1	1	1	1	1
Juvenile Probation	0.8	0.5	0.5	0.5	0.5
Sheriff	102.3	103.0	103.0	106	113.3
<i>Subtotal</i>	<u>105.0</u>	<u>105.5</u>	<u>105.5</u>	<u>108.5</u>	<u>114.8</u>
<b>PUBLIC WORKS</b>					
Environmental Services - Convenience Sites	5	5	5	5	0
General Services	39	39	40	44	45
<i>Subtotal</i>	<u>44</u>	<u>44</u>	<u>45</u>	<u>49</u>	<u>45</u>
<b>HEALTH AND WELFARE</b>					
Comprehensive Services	2.5	4	4	4	4
Social Services	33.5	34.0	34.0	35	37
<i>Subtotal</i>	<u>36.0</u>	<u>38.0</u>	<u>38.0</u>	<u>39.0</u>	<u>41.0</u>
<b>LIBRARY</b>					
Library	27	28.6	28.6	29.13	28.6
<i>Subtotal</i>	<u>27</u>	<u>28.6</u>	<u>28.6</u>	<u>29.13</u>	<u>28.6</u>
<b>COMMUNITY DEVELOPMENT</b>					
Agriculture Development	1	1	1	1	1
Community Development	21	23	24	25	30
Economic Development	0	3	3	3	3
Extension Office	1	1	1	0	0
Hospital Hill	1	1	1	1	1
John Marshall Soil and Water	4	0	0	0	0
Volunteer Center	0.5	0.5	0	0	0
<i>Subtotal</i>	<u>28.5</u>	<u>29.5</u>	<u>30</u>	<u>30</u>	<u>35</u>
<b>FUNDS</b>					
Volunteer Fire and Rescue	12	12	13	18	23
Parks and Recreation	16.6	16.6	16.6	17.7	17.7
Joint Communications	18	19	19	20	21
Environmental Services	6.5	6.5	7.5	8.5	18.8
Fleet Maintenance	16	15	16	16	16
<i>Subtotal</i>	<u>69.1</u>	<u>69.1</u>	<u>72.1</u>	<u>80.2</u>	<u>96.5</u>
<b>TOTAL</b>	<u>434.9</u>	<u>449.3</u>	<u>458.4</u>	<u>484.2</u>	<u>510.8</u>



## PERMANENT POSITIONS APPROVED FOR 2003

Department	Position Title	New or Conversion	Justification
<b>General Fund</b>			
Budget Office	Office Associate II	Conversion 1 Part Time (PT) Temporary to PT Permanent (20 hrs/wk)	The Budget Office was tasked with the staff responsibility for the Capital Improvements Program. Additional clerical services will assist in addressing the increased workload.
Commonwealth Attorney	Office Associate II	Conversion 1 Part Time (PT) Temporary to PT Permanent (20 hrs/wk)	Recent years of increasing professional staff has necessitated additional clerical assistance.
General Services	Construction Assistant	New Full Time	Due to the significant increase in the number of major projects to manage, additional manpower was needed to provide adequate oversight of these projects.
Social Services	Social Worker - Child Protective Services	New Full Time	The current 3.3 authorized positions investigated 340 cases and provided services to 65 families. This staffing level would be below the State Standards of 5 positions for this caseload.
Social Services	Social Worker – Program Manager	New Full Time	Currently two Program Managers supervise 12 and 13 employees. The State recommended staffing standards are 6. With the additional social worker each will manage approximately 9 employees.
Sheriff's Office	6 Deputy Sheriffs	New Full Time	There has been a tremendous increase in service demands due to September 11, 2001, new home construction and population growth. Four positions are Road Deputies and two positions are Correctional Officers.

## PERMANENT POSITIONS APPROVED FOR 2003

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### Other Funds

Environmental Services (Landfill)	3 Convenience Site Attendants	Conversion 3 Full Time Temporary to Full Time Permanent	These Attendants are required due to the opening of a new landfill convenience Super Site 7 days a week.
Environmental Services (Landfill)	Landfill Gate Attendant	Conversion Full Time Temporary to Full Time Permanent	This attendant is needed due to increased waste tonnage from the opening of a special construction and demolition landfill operation.
Environmental Services (Landfill)	Office Associate I	Conversion Full Time Temporary to Full Time Permanent	With the opening of the construction and demolition landfill operation and general increase in waste entering the Landfill, workload demands on the administrative staff has increased.
Emergency Services	5 Fire Fighters/ Paramedics	New Full Time	The new staff will provide expanded day time and holiday coverage.

## Positions Added During FY 2002

Increased workload in various General County Government departments necessitated the Board of Supervisors to add a number of new positions during FY 2002. This was especially true in the Community Development Department with the significant increase in requests for site plan reviews and other related construction issues.

Community Development:  
Senior Planner  
Plan Reviewer  
Planner (2)  
Building Inspector

Treasurer:  
Accounting Technician  
Executive Assistant

Registrar:  
Assistant Registrar

Clerk of the Circuit Court:  
Accounting Clerk

# BASIS OF BUDGETING

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**What is a budget?** A budget is a formal document that enables the County to plan for the future, measure the performance of County services, and helps the public understand where the revenues come from and how these revenues are spent on County services. The Commonwealth of Virginia requires that the County budget be based on fund accounting, which is a way to match the source of revenue (such as taxes, service fees, etc.) with the uses (program costs) of that revenue. Therefore, the County budgets and accounts for its revenues and expenditures in various funds.

The County fund structure is similar to your standard filing cabinet. Each drawer of a filing cabinet is a separate fund, used to account for different sources and uses of revenues. There are seven major funds in the Governmental Accounting and Budgeting:

## 1. Basis of Budgeting and Accounting – Government Funds

The General Fund, Parks and Recreation Fund, Special Revenue Funds and Capital Projects Fund are those using modified accrual accounting and are budgeted on the same basis. This means that obligations of the County are recorded as expenditures and revenues are recognized when they are actually received in cash. This basis of budgeting is consistent with Generally Accepted Accounting Principles (GAAP). Governmental Funds account for the expendable financial resources, other than those accounted for in Proprietary and Fiduciary Funds. The Governmental Fund measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination as would apply to a commercial enterprise.

- a. **General Fund** - The General Fund is the main reporting fund where government keeps track of most of its day-to-day functions. All functions that do not fall under the special purposes of the other funds are accounted for in this fund. The sources of revenue for the General Fund operations are primarily locally derived taxes.
- b. **Parks and Recreation Fund** – This Fund is used to report the operations of the Parks and Recreation Department. It was separated from the General Fund in FY 2001 due to its extensive number of small dollar accounts. The Parks and Recreation Fund is budgeted and accounted for on the same basis as the General Fund. Any fund balance at the end of a fiscal year reverts to the General Fund. Primary source of revenue is a transfer from the General Fund.
- c. **Special Revenue Fund** - Special Revenue Funds account for functions that have sources of revenue that legally must be used for specific services. These revenues can range from grant funding to intergovernmental transfers in to support the funds. Currently the County has two such funds; Joint Dispatch funded through tax on telephone connections, Fire and Rescue funded by a separate tax levy on real estate.
- d. **Capital Projects Fund** - This Fund accounts for the purchase, construction or renovation of major capital items, such as buildings or major hardware items. Funding support is provided through transfers from the General Fund and School Fund and bond proceeds. State and Federal funding is included in the transfers. Bond proceeds make up the bulk of the funding support of this Fund.

# BASIS OF BUDGETING

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## 2. Basis of Budgeting and Accounting – Proprietary Funds

Proprietary Funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is on determination of net income, financial position and cash flows. Operating revenues include charges for services. These Funds are accounted for using full accrual accounting method. Under this accounting method revenues are recognized in the accounting period in which they are earned while expenses are recognized in the accounting period in which the related liability is incurred. Proprietary funds are budgeted similarly except for depreciation.

- a. **Enterprise Fund** - Enterprise funds account for activities that are financed and operated much like businesses. Fauquier County's landfill operation is an enterprise fund, as is the Warrenton-Fauquier Airport.
- b. **Internal Service Fund** - Internal Service Funds accounts for the financing of services that one County agency provides for another County agency. Fleet Maintenance Operations is an Internal Service Fund.

## 3. Basis of Budgeting

Budgeting has several purposes. Budgeting is a formal way to convert the County's long-range plans and policies into services and programs and to communicate these plans to the public. In one sense, each government has two budgets during the course of a fiscal year: a revenue budget and an expenditure budget. The revenue budget outlines the revenues (taxes and fees) that are needed to support the County services, including the rate of taxation to be adopted for the coming fiscal year. The expenditure budget outlines the capital (Capital Improvements Plan) and operating costs (departmental budgets) for services and programs proposed for the coming fiscal year in terms of costs in dollars. Once the Board of Supervisors has adopted the budget, the budget becomes the work plan of goals and objectives to be accomplished during the next fiscal year.

In September, the Budget Office holds a series of Citizen Budget forums soliciting input from Fauquier County regarding the upcoming budget. After the data is compiled, this information is provided the Board of Supervisors for their consideration. Annually the Board of Supervisors holds a retreat and compiles a list of priorities for the upcoming calendar year. While referred to as priorities for the calendar year, many actually are multi-year requirements. These priorities are used as the blueprint by the Budget Office in preparing budget instructions and guidelines for departments to use in preparing budget estimates for the coming year.

In November the departments submit their budget requests to the Budget Office for review and analysis. After a series of meetings with departments and agencies, final decisions are made by the County Administrator in January and submitted to the Board of Supervisors during the first week in February of each year. The Board of Supervisors reviews the proposed budget during February and March. The adopted budget and tax rates for the coming year are then set prior to April 1st.

## BASIS OF BUDGETING

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During the fiscal year, a Board of Supervisors' Finance Committee consisting of two Board of Supervisors' members accepts and reviews department requests for budget adjustments with Budget Office staff support. Budget adjustments can be requested for several reasons: receipt of grant funding from local, state, federal, or private sources; emergency expenditure authority request; internal funding reallocations to better appropriate resources for agency operations, etc. On the basis of these reviews, the Finance Committee forwards the requests, with or without a Committee recommendation, to the Board of Supervisors during the next regularly scheduled Board of Supervisors' meeting for discussion, public comment, and ultimate decision on the request.

Citizen involvement and understanding of the budget is a key part of the budget process. There are many active committees and task forces that report to the Board of Supervisors on key issues affecting local government and the many communities in the County. The Budget Office serves as the media point of contact for questions on the budget.



# FISCAL YEAR 2003 BUDGET CALENDAR

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## **August**

23

Budget Kickoff  
Budget Submission Packets Distributed to Department Heads,  
Constitutional Officers and Agencies

## **October**

9

Budget Requests due back to Budget Office

11

New Initiative Review Team Budget Packets Distributed

18

New Initiative Review Team Results due to Budget Office

## **November**

15

Sheriff's Office and Parks & Recreation Budget Requests due to  
Budget Office

## **December**

12

County Administrator meets with Sheriff's Office

12, 19, 20, 21

County Administrator Meets with Department and Agency Heads &  
Constitutional Officers

## **February**

12

School Budget Request due to Budget Office

12

School Division Budget Briefing for County Administrator

19

Board Work Session includes Joint Session w/School Board

25

County Administrator to Deliver Proposed FY 2003 Budget to  
Board of Supervisors

27-28

Advertise Public Hearing on County Budget and Tax Rate

## **March**

4

Board Budget Work Session

6-7

Advertise Public Hearing on County Budget and Tax Rate

6-7

Advertise Public Hearing on the CY 2002 Proposed Real Property  
Tax Increase

13

Board Budget Work Session

13

Public Hearing for Citizens Comments on the FY 2003 Proposed  
Budget and Tax Rates

18

Board Budget Work Session

18\*

Public Hearing for Citizen Comments on the CY 2002 Proposed  
Real Property Tax Increase

25

Board Budget Work Session

## **April**

1

Budget and Capital Improvement Plan Adopted

## **June**

28

Adopted Budget Book Printed/Distributed

\*Special Public Hearing is required due to reassessment.

# **POLICIES AND PROCEDURES**

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## **FINANCIAL POLICIES and PROCEDURES**

The following is a brief description of the financial policies that have been adopted to manage the County's resources and contribute to its strong fiscal condition. In brief, the County's financial policies address actions in the following areas:

- Current Year Reviews
- Budget Adjustments
- Cash Management/Investments
- Debt Management
- Use of Current Revenues
- Risk Management
- Capital Improvement Planning

### **Current Year Review**

The Budget Office has operational responsibility to review the budget execution of all-operating agencies, separate funds and capital construction projects. As part of this task is the preparation of quarterly reports that shows the County's financial strength for the budget year. Included in this report is an analysis of revenue projections. Special emphasis is given to a mid-year report, which is a key document used in financial decisions for the remainder of the year.

### **Budget Adjustments**

To address changes to the fiscal plan the Board of Supervisors has approved a Transfer and Supplemental Appropriation Policy to establish procedures for processing requests to change the adopted fiscal plan. Included in the Policy are the specific approvals required to implement any proposed change. There are two kinds of budget adjustments that take place during the fiscal year: a **Transfer** and a **Supplemental Appropriation**.

#### ***Transfer***

A transfer involves the movement of budgetary appropriations within a departmental or agency budget or between agency budgets, provided that all actions take place within the same fund.

#### ***Intra-Departmental***

A transfer moving funds from one line item to another line item in the same department is an intra-departmental transfer. Constitutional Officers have transfer approval authority of up to \$6,000 within their own organizations. The Budget Office has the approval of all other intra-departmental transfers up to \$6,000 and the County Administrator has approval of transfers over \$6,000.

The Board of Supervisors is the approval authority, upon review and recommendation of the Finance Committee, for all transfers from the Undedicated Contingency Reserve or a Dedicated Reserve. With the review and recommendations of both the Finance and Personnel Committees the Board of Supervisors is the approval authority for all intra- departmental transfer request to establish full-time or part-time permanent positions or create a multi-year financial commitment.

## **POLICIES AND PROCEDURES**

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### ***Inter-Departmental***

A transfer between two departments or agencies in the same fund is an inter-departmental transfer. Any inter-departmental transfer requests will have the explicit approval of all department heads involved in the action. Transfer approval for requests \$6,000 or less is the Budget Office, \$6001 to \$25,000 is the County Administrator and over \$25,000 is the Finance Committee. As with intra-department transfers, the Board of Supervisors has approval authority for transfer request involving new positions or that affects any budget reserve account.

### ***Supplemental Appropriations***

Supplemental appropriations involve actions that increase the overall budget appropriations for the County Budget or a Fund contained therein. Funding sources for these changes may include grants, unanticipated revenues, inter-Fund transfers or the use of Fund Balance.

All requests for supplemental appropriation require Board of Supervisors approval upon recommendation by the Finance Committee.

### ***Public Hearing***

The Commonwealth of Virginia requires a public hearing when supplements to the budget exceed the lesser of \$500,000 or 1 percent of the total budget. The Budget Office has administrative responsibility to ensure the Code of Virginia requirements are met in regard to budget adjustments.

### ***School Division Categorical Transfers***

Transfers between School Division budgetary categories shall also require Board of Supervisor approval only if the School Budget was approved using categorical appropriations.

### ***Capital Fund, Fund Transfers***

The Board of Supervisors is the approval authority, upon recommendation from the Finance Committee, for all requests for transfer between Capital Fund projects.

### ***Cash Management/Investments***

Maintaining the safety of the principal of the County's public investment is the highest priority in the County's cash management policy. The secondary and tertiary priorities are the maintenance of liquidity of the investment and optimization of the rate of return within the parameters of the Code of the Commonwealth of Virginia, respectively. Funds held for future capital projects shall also be invested in accordance with these objectives, and in such a manner so as to ensure compliance with U.S. Treasury arbitrage regulations. Staff from the Treasurer's Office has developed policies and procedures to serve as a guide in the cash management process.



# **POLICIES AND PROCEDURES**

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## **Debt Management**

It is the County's policy to manage debt within the guidelines identified in the Capital Improvement Program. Specifically, debt service expenditures as a percentage of General Fund revenues should remain under ten percent.

## **Use of Current Revenues**

Although a number of options are available for financing the proposed capital improvement program, including bond proceeds and grants, it is the policy of the County to balance the use of the funding sources against the ability to utilize current revenue or pay-as-you-go financing for capital projects. Financing capital projects from current revenues indicates the County's intent to show purposeful restraint in incurring long-term debt. No explicit maximum level or percentage has been adopted for capital projects from current revenues as capital projects and use are based on the merits of the particular project in relation to an agreed upon set of criteria. Use of current revenue is a funding option.

## **Risk Management**

Continuing growth in County assets and operation increases the potential for catastrophic losses resulting from inherent risks that remain unidentified and unanticipated. In recognition of this, the County has adopted a policy of professional and prudent management of risk exposures.

- To protect and preserve the County's assets and work force against losses which could deplete County resources or impair the County's ability to provide services to its citizens;
- To institute all practical measures to eliminate or control injury to persons, loss to property or other loss-producing conditions; and,
- To achieve such objectives in the most effective and economical manner.

While the County's preference is to fully self-insure, various types of commercial insurance such as workers' compensation, automobile, and general liability remain viable alternatives when they are available at an affordable price.

## **Capital Improvement Planning**

It is County policy to balance the need for public facilities, as expressed by the countywide land use plan, with the fiscal capability of the County to provide for those needs. The five-year Capital Improvement Program (CIP), submitted annually to the Board of Supervisors, is the vehicle through which stated need for public facilities is analyzed against the County's ability to pay and stay within its self-imposed debt guidelines.

## **Fiscal Impact Model**

Beginning late in FY 2002, the County has begun pursuing the acquisition of a Fiscal Impact Model. The purpose of this model will be to assist policy makers and staff to foresee future needs for management growth. A number of neighbor jurisdictions are also contemplating the use of a Fiscal Impact Model for this purpose.

# **POLICIES AND PROCEDURES**

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## **FINANCIAL MANAGEMENT TOOLS & LONG RANGE PLANNING DOCUMENTS**

This section is intended to provide a brief description of some of the financial management tools and long range documents used by the County. These tools and planning documents include:

- *Budget*
- *Revenue Forecast*
- *Management Initiatives*
- *Capital Improvement Program*
- *Five Year Financial Plan*

### **Budget**

The primary financial management tool used by the County is the annual budget process. This involves a comprehensive examination of all expenditure and revenue programs of the County, complete with public hearings and approval by the Board of Supervisors.

### **Revenue Forecast**

The county has formed a Revenue Committee headed by the Deputy County Administrator and staffed by the Budget Office, Treasurer's Office, Commissioner of the Revenue, and the Finance Department. Revenue estimates are monitored on a monthly basis by this committee to identify any potential trends that would significantly impact the various revenue sources that have been budgeted in the current budget. The Revenue Committee includes revenue collection and formulation of applicable revenue collection information into a monthly management Finance Committee report. This document is included in the Budget Office's quarterly budget status report.

### **Management Initiatives**

The County has undertaken several management initiatives in its ongoing mission to make its government more productive, streamlined and efficient. Major initiatives designed at improving public service in Fauquier County government include:

Customer Service Task Force;

E-Government Task Force;

Training and Staff Development Task Force.

### **Capital Improvements Program**

A description of this element as a long-range financial management tool is provided in the Capital Improvements Fund section of the budget.

### **Five Year Financial Plan**

One of the Board of Supervisors' goals has been the development of a five (5) year revenue and expenditure General Fund and Fire and Rescue Levy projection. The purpose of this document is to serve as an analytical tool in operational decision-making. Included in this document is the Capital Improvements Program. The initial Plan was completed in early FY 2002.